



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350-2000

IN REPLY REFER TO
OPNAVINST 4600.24C
OP-413
14 JUN 1989

OPNAV INSTRUCTION 4600.24C

From: Chief of Naval Operations

Subj: RESPONSIBILITIES FOR MANAGEMENT OF NAVY TRANSPORTATION

Ref: (a) OPNAVINST 4630.26
(b) OPNAVINST 5430.34A

Encl: (1) Financial Aspects of Material Transportation Management

1. Purpose. To define transportation management responsibilities including associated budget development and executive control. This instruction is a substantial revision and should be reviewed in its entirety.

2. Cancellation. OPNAVINST 4600.24B.

3. Discussion. The guidance contained here is applicable to the transportation and financial management of Navy passenger and cargo movements. The complexity of traffic management techniques and the need to use efficiently both material and funding resources dictate that the Navy maintain a vigorous and effective Navy transportation management program. This directive provides precise organizational responsibilities, relationships, and funding control through centralization in order to maximize the flexibility and use of resources.

4. Responsibilities. The following functional organization alignment and responsibilities apply for the management of transportation Navy-wide.

a. Deputy Chief of Naval Operations (Logistics) OP-04

(1) The Director, Materiel Division (OP-41) is responsible for Navy transportation functions, as they apply to the Navy sponsored movement within the Defense Transportation System (DTS), as follows:

(a) Serve as program coordinator and sponsor for transportation coordination within the Navy, including budget sponsorship for material transportation funding programs.

(b) Issue policy guidance for Navy transportation matters.

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(c) Maintain liaison with the Office of the Secretary of Defense (OSD), the Joint Chiefs of Staff (JCS), and the other Services on transportation matters, serving on the Defense Transportation Policy Council and as the Navy principal member of the Joint Transportation Board.

(d) Evaluate the effectiveness of overall transportation services provided to the operating forces and activities of the Navy.

(e) Provide policy guidance on containerization development.

(f) Serve as the Program Coordinator for Navy Cargo Handling and the Reserve Cargo Handling Battalion Program.

(g) Review proposed changes to budget execution and financial control procedures for second destination, and specifically designated first destination transportation funds.

(h) Coordinate matters relating to the impact of movement of mail on transportation financial resources. This does not include funds budgeted by the Chief of Naval Operations (OP-945) in the Operation and Maintenance, Navy (O&M,N) appropriation to cover the cost of movement of official mail for which the Navy reimburses the U.S. Postal Service.

(i) Provide policy guidance on the movement of Navy material within the DTS during contingency and emergency situations.

(2) The Director, Strategic Sealift Division (OP-42) is responsible for planning and programming functions associated with transportation as follows:

(a) Maintain liaison with the JCS on all matters pertaining to strategic mobility planning, testing and analysis, including Joint Strategic Capabilities Plan (JSCP) and Joint Strategic Planning Document (JSPD) preparation and JCS CPX type exercises.

(b) Serve as the Navy Program Sponsor for the Military Sealift Command (MSC) and all other Program IV Mobility Forces in the Department of Defense (DoD) program planning and budget cycle.

(c) Respond to all matters related to the Maritime Administration and maritime affairs, including North Atlantic

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Treaty Organization (NATO) planning for ocean shipping and all other types of intragovernmental maritime planning organizations.

b. Naval Military Personnel Command. The Commander, Naval Military Personnel Command (NMPC) is designated as the Manager of Navy Passenger Transportation and is responsible for:

(1) interfacing and coordinating with OP-41 and the Naval Supply Systems Command (NAVSUPSYSCOM), as appropriate, to ensure the development of a unified Navy position on joint Service matters

(2) administering the Navy program for the world-wide movement of Navy sponsored passengers

(3) providing technical direction, guidance and assistance to elements of the Navy wide passenger transportation organization

(4) developing and issuing Navy passenger transportation policies, directives and procedures

(5) maintaining liaison with the other military Services, DoD Single Manager Agencies for Transportation, and other government agencies and industry on matters relating to the movement of Navy sponsored passengers, and representing the Navy on joint Service working groups and committees concerning passenger transportation, as directed

(6) interfacing and coordinating with the appropriate Fleet Commander regarding transportation of passengers to, from, or within their areas of responsibility

(7) interfacing and coordinating with appropriate elements of OP-01 regarding transportation and travel entitlements

(8) interfacing and coordinating with appropriate elements of OP-04 and OP-06 regarding passenger movement requirements related to contingency and mobilization plans

(9) reviewing, coordinating, and validating Navy airlift requests for Military Airlift Command (MAC) Special Assignment Airlift Missions (SAAMs) in support of passenger and unit movements per reference (a)

(10) collecting meaningful data relative to personnel movements for the purpose of effectively managing the Navy wide passenger transportation system, and developing reliable forecasts of Navy requirements

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(11) identifying, developing, evaluating, and implementing new systems and methods that will increase efficiencies and economies in the movement of Navy sponsored travelers

(12) budget development and execution for movement of military personnel, dependents, and personal property for the permanent change of station entitlements

c. Naval Supply Systems Command. The Commander, Naval Supply Systems Command is designated as the Manager of Navy Material Transportation, consistent with responsibilities assigned to the Chief of Naval Operations (CNO) and in consonance with material management functions in accordance with reference (b). The Manager of Navy Material Transportation is responsible for providing effective transportation support and for ensuring that transportation costs are maintained at the lowest level possible, consistent with assuring the quality of service and responsiveness necessary to meet operational requirements. Specifically, with respect to transportation management, COMNAVSUPSYSCOM is responsible for:

(1) recommending policy changes for publication by the CNO

(2) developing and issuing Navy material transportation operating procedures; providing field assistance, training, and guidance to all Navy shippers

(3) financial management of Servicewide Transportation (SWT), composed of Second Destination Transportation (SDT) and specifically designated First Destination Transportation (FDT) funds outlined in enclosure (1), including budget formulation and execution

(4) evaluating the effectiveness of the Transportation Operating Agencies (TOAs) and transportation contractors in satisfying Navy requirements

(5) administering the "Transportation of Things" subhead of the Navy Management Fund

(6) administering the Navy program for the world-wide shipment of personal property

(7) providing liaison with DoD Single Manager Agencies for Transportation on all matters relating to the movement of Navy material and personal property

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(8) providing technical assistance to Navy Department offices, Fleet Commanders in Chief, Systems Commands, and project managers regarding transportability, movement plans supporting new and existing weapons systems, and other transportation related matters

(9) analyzing and evaluating Navy material distribution and procurement practices to ensure transportation economy

(10) collecting, reviewing, analyzing, and submitting Navy material transportation requirements to the Transportation Single Manager Operating Agencies under established procedures and directives

(11) administering a data collection system to identify appropriate elements of transportation usage and cost which will provide meaningful information for such purposes as analysis of services provided, carrier mode selection, tonnage forecasting, shipping costs, budget submission and execution; establishing a single office to accumulate cost information on transportation usage and developing accurate forecasts of total Navy requirements for the Five Year Defense Plan (FYDP), including operations during periods of increased military activity; providing Systems Commands, Fleet Commanders in Chief and inventory managers necessary data elements to facilitate submission of planning data and budget projections

(12) administering the Navy contract cargo airlift (QUICKTRANS) and managing the Navy's commercial cargo airlift to ensure that requirements are valid

(13) identifying and evaluating new developments in the field of material transportation, including all forms of containerization, for potential Navy application

(14) maintaining liaison with other Services, Single Managers, other government agencies and industry; representing the Navy on joint Service working groups and panels concerned with the transportation of material, as directed

d. Major Claimants. Provide planning data and budget projections for Servicewide Transportation (SWT) funds, as appropriate, for budget formulation and execution.


e. Director of Space, Command and Control (OP-094). Coordinate, as appropriate, with the Materiel Division (OP-41) and COMNAVSUPSYSCOM on matters affecting the transportation of mail, including those actions with budget impact.

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5. Financial Management. The financial aspects of material transportation management are contained in enclosure (1).

6. Action. Addressees will ensure compliance with enclosure (1) in all matters concerning the management of material transportation within the Navy.


EDWARD M. STRAW
By direction

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FINANCIAL ASPECTS OF MATERIAL
TRANSPORTATION MANAGEMENT

1. FUNDING OF FIRST AND SECOND DESTINATION TRANSPORTATION.

a. General. There are two major categories of Servicewide Transportation (SWT)--first and second destination. Definitions are provided and discussed in paragraph 2. The responsibility for financing transportation charges is determined by the category of transportation and, with few exceptions, the fund or appropriation financing the procurement of the material transported. The basic funding responsibilities are stated in paragraph 3.

2. DEFINITIONS.

a. First Destination. First Destination Transportation (FDT) is that transportation required to effect the delivery of material from a procurement source to the first point of use or storage for subsequent distribution within the supply system. The procurement source and first point of use or storage may be in the continental United States (CONUS) or overseas. The procurement source, as used herein, is any supplier outside the DoD supply system and any DoD industrial activity which fabricates new material. FDT also includes transportation from point of origin to point of use or storage when Department of the Navy (DON) owned material or equipment is provided to a contractor incident to a research and development (R&D) project or a system equipment acquisition or modification. FDT charges include those for freight cartage, CONUS port handling*, and other intransit costs incurred incident to the shipment of FDT material. FDT charges are not applicable to components reworked by an industrial activity.

b. Second Destination. Second Destination Transportation (SDT) is any transportation other than first destination. SDT charges include those for port handling*, freight cartage, and other intransit costs incurred incident to the shipment of SDT material.

*Note: Only CONUS port handling costs are paid with FDT and SDT funds. In general, ex-CONUS port handling costs are chargeable to either the activity handling the cargo or the Fleet Commander in Chief (CINC) having area responsibility.

c. Freight Cartage. Freight cartage includes any cartage described in the delivery documentation. However, local

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delivery costs, including commercial charges, for consignments to a shore-based activity, ship, or other mobile unit will be funded from the operating resources of the activity assigned area responsibility.

d. Transportation Accounting Codes. Transportation Accounting Codes (TACs) are to be cited on all shipping documents to identify the proper funding source and appropriation. TACs are found in DoD Regulation 4500.32-R (MILSTAMP), Volume II, dated February 1987.

e. Costs Incurred Incident to Shipment of Material. Costs include charges for services performed while a shipment is intransit. Many carriers will provide accessorial services in addition to line-haul service which may be categorized as:

(1) Preparation Charges: e.g., packing, marking, loading, crating, handling, blocking, bracing, disassembly, etc.

(2) Intransit Charges: e.g., security service, permits, documentation fees, stop-off, CONUS port handling, switching, flagmen, reooperage and other freight forwarder type services.

(3) Destination Charges: e.g., reassembly, prelodge, storage prior to unloading, etc.

Although these charges may be found in commercial carriers' tariffs, tenders or schedules, only intransit charges may be paid with transportation funds. Preparation charges and destination charges will be funded from other than transportation funds.

3. FUNDING RESPONSIBILITY.

a. General. COMNAVSUPSYSCOM, as Manager of Navy Material Transportation, funds Navy SWT transportation as stated in subparagraphs b. and c. below:

b. First Destination. First destination transportation is financed by NAVSUPSYSCOM in the Operation and Maintenance, Navy (O&M,N) appropriation with the exception of those circumstances cited in items (1) through (3) below and any other exceptions authorized by the CNO.

(1) Transportation Integral to Contract Price. Free-on-board (FOB) destination transportation charges are financed by the same appropriation or fund which financed acquisition of the item.

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(2) Transportation of Stock Fund Material among the Fifty States. Transportation is financed by the Navy/Marine Corps Stock Funds (NSF/MCSF).

(3) Transportation of Items Procured by Other than Procurement and Operation and Maintenance Navy Appropriations. Transportation is financed by the appropriation or fund which financed acquisition of the item, e.g., Military Personnel, Navy for subsistence items; Research, Development, Test, and Evaluation (RDT&E), Navy for RDT&E projects material, including refurbishment at industrial fund activities; and, Military Construction (MILCON), Navy for items which are charged to a MILCON project.

c. Second Destination. Second destination transportation is financed by NAVSUPSYSCOM in the O&M,N appropriation, with the exception of funding cited in subparagraphs (1) through (14) below and any other exceptions authorized by CNO.

(1) Organic Material Incident to Relocation and/or Rotational Deployment. Transportation of organic material, i.e., items on the custody of plant account records of field activities or deployable units, incident to relocation and/or rotational deployment, is a funding responsibility of the major claimant or management command which directs the movement, except for fleet owned Naval Construction Force (NCF) equipment. NAVSUPSYSCOM funds second destination transportation incident to NCF deployments, acting on behalf of the Commander, Naval Facilities Engineering Command, for NCF equipment movements. Special provisions, applicable to Marine Corps Reserve and Fleet Marine Force unit deployments/redeployments and relocations, are delineated in NAVCOMPT Manual, paragraph 075182.

(2) Transportation of Stock Fund Material among the Fifty States. All transportation of Navy inventory control point managed stock fund material and all transportation of Marine Corps Stock Fund (MCSF) material will be funded by the applicable stock fund.

(3) U.S. Antarctic Program. The cost of shipments supporting the U.S. Antarctic Program is reimbursed to the Department of the Navy by the National Science Foundation.

(4) Household Goods. Movement of household goods of civilian personnel, incident to Permanent Change of Station (PCS), and of military personnel, incident to temporary duty, as authorized, is funded by major claimants. Movement of household goods of military personnel, incident to PCS travel, is funded from military personnel appropriations.

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(5) Mine Countermeasures Equipment and Material. Movement costs for deployment of mine countermeasures units' equipment and material are funded by Commander in Chief, U.S. Atlantic Fleet (CINCLANTFLT). Movement costs for resupply of mine countermeasures units are funded by SWT funds.

(6) MSC/Commercial Ship Replenishment Programs. Funding responsibilities and procedures for submitting underway replenishment requirements are contained in the procedures for the Management of Petroleum Products, DoD Manual 4140.25M, dated July 1988 (NOTAL).

(7) Transportation of Remains of Deceased Beneficiaries. The Decedent Affairs Program, funded by the Commander, Naval Medical Command, includes the cost of transportation of remains of deceased beneficiaries.

(8) Demurrage and Detention Charges (DDC). Demurrage and detention costs, including DDCs pertaining to transportation of POL, are chargeable to the account of the operating manager at the local activity or Type Commander of the ship where the DDCs occur.

(9) Base Closures and Shore Establishment Realignment Actions. Transportation costs in connection with relocation of material, incident to base closures, shore establishment realignment, or similar actions, are a funding responsibility of the major claimant or management command which funds the activity being disestablished or realigned. However, when an activity requests reassignment of material, which would otherwise be declared surplus, the requesting activity funds transportation costs for the material being relocated.

(10) Transportation of Navy Owned Material for Disposal/Excess/Surplus. Transportation for turn-in of Navy owned excess material is an appropriate charge to SWT (O&M,N) or the Navy Stock Fund (NSF) depending upon the cognizant symbol of the material. Transportation for turn-in or acquisition of excess/surplus material, incident to research and development projects, is chargeable to the RDT&E,N appropriation.

(11) Acquisition of Excess/Surplus Material. In connection with acquisition of excess/surplus material from Navy, other Services, or Defense agencies, transportation expenses are chargeable to the shipping activity. Shipping activity is defined as the activity having accountability for the material. In cases where acquisition is made from other than DoD activities, transportation costs will be negotiated on a case by case basis.

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(12) U.S. Security Assistance Program. Cost for the Military Aid Program portion of the U.S. Security Assistance Program is reimbursed to the Department of the Navy.

(13) Transportation of Stock Funded Bulk Fuel. For bulk fuel, ocean transportation by vessel or air and foreign inland transportation, when delivery from FOB point of origin, are to points of use or storage outside the United States.

(14) Research and Development. All second destination transportation involving material for RDT&E,N projects is chargeable to the RDT&E,N appropriation.

d. Special Assignment Airlift Mission (SAAM). SAAMs are a means of moving materials and passengers under the following conditions:

- (1) to destinations outside of normal MAC channels
- (2) to move materials required in an emergency
- (3) to move materials that cannot be moved via surface because of size, sensitivity, and/or classification

e. SAAM Clearance. Navy Material Transportation Office (NAVMTO), Norfolk, VA must clear all SAAMs paid by Servicewide Transportation (SWT). SWT does not pay for:

- (1) passengers, including those embarked on SAAMs carrying materials paid for by SWT
- (2) SAAM movements, which parallel existing MAC channels
- (3) any SAAM without prior clearance from NAVMTO